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Japan Development Bank Pushes Loans for Foreign Companies

The Japan Development Bank (JDB) has issued loans to two Japanese subsidiaries of foreign companies -- a new departure in its policies -- and one that it is reportedly eager to continue pursuing. The bank, a government-owned lending institution established in 1951, provides long-term loans below market interest rates to the private sector in order to promote Japanese economic and social development. Its mandate and lending practices have made the JDB the focus of attention in the industrial policy debate, and some observers see it as a principal part of the Japanese government's efforts to promote industrial development.

A sectoral breakdown of actual lending by the JDB indicates that for most companies and industries its share in total outstanding loans is miniscule and that its focus is diverse, including pollution-control investments and other social goals as well as its original concern with industrial development. Nevertheless, some of its lending does go to finance the

Trade and Payments Data
(in millions of dollars unless otherwise indicated)

	1981	1982	January-October 1982	January-October 1983	August 1983	September 1983	October 1983
Japan's Balance of Payments							
Trade Balance	$ 19,967	$ 18,079	$ 15,450	$ 25,557*	$ 2,452*	$ 3,369*	$ 3,094*
Exports (f.o.b.)	149,522	137,663	115,236	118,392*	11,493*	12,629*	12,771*
Imports (f.o.b.)	129,555	119,584	99,786	92,835*	9,041*	9,260*	9,677*
Current Account Balance	4,770	6,850	6,027	16,843*	1,374*	2,688*	2,281*
Long-Term Capital (net)	-9,672	-14,969	-15,318	-14,723*	-1,931*	-2,409*	-2,379*
Overall Balance	-2,144	-4,971	-6,817	3,062	-27	318	-172
International Reserves (end of period)	28,403	23,262	22,840	24,665	24,398	24,641	24,665
Japan's Customs Clearance Trade							
Trade Balance	8,741	6,900	5,695	16,386*	1,675	2,388	2,019*
Exports (f.o.b.)	152,030	138,831	116,227	119,283*	11,633	12,791	12,822*
Cars	18,445	18,015	15,042	16,113*	1,249	1,673	1,709*
Steel	16,669	15,645	13,430	10,432*	1,060	1,150	1,110*
Imports (c.i.f.)	143,290	131,931	110,532	102,896*	9,959	10,403	10,803*
Crude Oil	53,343	46,274	38,153	32,241*	2,723	3,187	3,072*
Japan-U.S. Trade							
Trade Balance	13,312	12,151	10,266	13,990*	1,340	2,079	1,973*
Exports (f.o.b.)	38,609	36,330	30,608	34,141*	3,394	4,085	4,040*
Imports (c.i.f.)	25,297	24,179	20,342	20,151*	2,054	2,006	2,067*
Yen-Dollar Exchange Rate							
Tokyo Spot Market (end of period)	Y219.90	Y235.00	---	---	Y246.60	Y236.10	Y233.60
U.S.-Japan Trade							
Trade Balance	-15,789	-16,778	-15,214	-15,637	-1,834	-1,027	-2,067
Exports (f.a.s.)	21,823	20,966	17,348	17,714	1,800	1,948	2,005
Industrial Supplies	8,983	9,173	7,571	7,062	709	677	795
Food and Feed	5,896	4,971	4,175	4,583	544	564	515
Capital Goods	4,767	4,434	3,696	3,994	339	404	474
Consumer Goods	1,318	1,356	1,133	1,171	109	130	121
Imports (Customs)	37,612	37,744	32,563	33,351	3,634	2,976	4,071
Automotive Products	12,950	12,890	11,088	12,077	1,328	949	1,380
Industrial Supplies	7,179	6,795	6,046	4,384	478	425	515
Consumer Goods	8,340	7,842	6,734	6,691	770	638	882
Capital Goods	8,589	9,530	8,096	9,632	996	908	1,224

*Preliminary

Japanese Economic Indicators

(percentage change from year-earlier period unless otherwise indicated)

	1981	1982	January-September 1982	January-September 1983	July 1983	August 1983	September 1983
Discount Rate (end of period)	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Outstanding Money Supply	8.9%	9.2%	9.6%	7.4%	7.1%	6.9%	7.2%
Industrial Production	1.0%	0.3%	1.3%	1.8%	2.4%	5.0%	6.3%
Manufacturing Operating Rate	-4.6%	-2.9%	-2.4%	-0.4%	0.4%	2.4%	3.7%
Number of Bankruptcies	-1.5%	-2.8%	-3.2%	10.4%	5.8%	22.2%	24.1%
Residential Construction Starts	-9.2%	-0.5%	-3.7%	-1.5%*	-3.4%	-1.7%	-3.7%*
Job Openings to Applications (ratio)	0.68	0.61	0.61	0.59	0.57	0.58	0.59
Nominal Wages	5.3%	4.5%	5.1%	3.7%	3.8%	-1.5%	3.5%
Labor Productivity	2.4%	1.0%	2.1%**	1.8%**	4.5%	n.a.	n.a.
Wholesale Prices	1.4%	1.8%	1.9%	-1.9%	-2.4%	-2.9%	-3.2%
Consumer Prices	4.9%	2.7%	2.7%	1.9%	2.2%	1.2%	0.7%
Yen-Based Export Prices	1.2%	3.9%	4.6%	-5.9%	-7.0%	-6.0%	-6.6%
Yen-Based Import Prices	1.6%	7.9%	7.2%	-6.0%	-10.1%	-9.5%	-10.6%

*Preliminary
**Through July of each year only.

For Japan's most recent GNP figures, see JEI Report No. 36B, September 23, 1983.

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